

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2910 - A5

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Haylee Morse-Miller
Reviewed by: Tom MacDonald, Amanda Beitel, Laurie Byerly
Date: June 14, 2021**Measure Description:**

Requires Oregon Health Authority, upon receipt of federal approval, to assess fee on emergency medical services providers and use fee to reimburse costs of emergency medical services transports.

Government Unit(s) Affected:

Legislative Counsel (LC), Counties, Oregon Health Authority (OHA), Cities

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

| | 2021-23 Biennium | 2023-25 Biennium |
|--------------------|---------------------|----------------------|
| Other Funds | 30,366,152 | 40,242,854 |
| Federal Funds | 45,366,152 | 60,356,081 |
| Total Funds | \$75,732,304 | \$100,598,935 |
| Positions | 3 | 3 |
| FTE | 3.00 | 3.00 |

Summary of Revenue Impact:

| | 2021-23 Biennium | 2023-25 Biennium |
|--------------------|------------------|------------------|
| Other Funds | 269,175 | 269,175 |
| Total Funds | \$269,175 | \$269,175 |

Analysis:

HB 2910 - A5 relates to licensing of ambulance and ambulance service owners by the Oregon Health Authority (OHA). Ambulance-related licenses are to be issued annually and expire on June 30 of each year. This measure also makes the following fee changes, which are operative January 1, 2022:

- Eliminates \$10 fee for replacement of licenses;
- Increases fee for initial licensing and renewals from \$75 to \$190, for an ambulance service with up to four employees;
- Increases fee for initial licensing and renewals from \$250 to \$625, for an ambulance service with more than five employees;
- Increases ambulance licensing fee from \$45 to \$115, if the ambulance is owned by a service with up to four employees; and,
- Increases ambulance licensing fee from \$80 to \$200, if the ambulance is owned by a service with more than five employees.

OHA anticipates collecting an additional \$269,175 Other Funds each biennium, which will support current operations in OHA's Health Care Regulation and Quality Improvement section. Fee increases are linked to Policy Option Package 450 (Ambulance Licensing Fees) in the OHA 2021-23 agency budget.

This measure also permits OHA to request approval from the Centers for Medicare and Medicaid Services to administer an assessment and reimbursement program for nonfederal or nonpublic emergency medical services (EMS) providers. If approval is received, OHA is directed to assess an annual quality assurance fee related to each provider's emergency and transportation services, or "EMS transport." The fee must be equal to five percent of the projected total gross receipts for an EMS provider for the following 12-month period, divided by the projected number of EMS transports in that period. OHA may modify these amounts to meet federal requirements or ensure federal financial participation in the costs of EMS transports reimbursed by OHA. OHA is directed to assess interest and penalties for late payments, and deduct the fee amount, interest, or penalties from any fee-for-service medical assistance reimbursement owed to the EMS provider until the full amount is recovered.

OHA is required to establish the reimbursement to be paid to an EMS provider for an EMS transport in an amount that is equal to the amount of quality assurance fees, interest, and penalties assessed by OHA under this section, and the associated federal financial participation less any costs incurred by OHA to administer this section. An EMS provider must use a portion of the funds to increase wages and benefits for employees. The reimbursement also applies to reimbursement by coordinated care organizations (CCO).

Quality assurance fees and interest are to be deposited into the Emergency Medical Services Fund established by this measure, which is separate and distinct from the General Fund. Money in the fund is continuously appropriated to OHA to provide grants to innovative ambulance programs, fund the state medical assistance program, and to administer this measure. Certain penalties are to be deposited in the General Fund.

This measure declares an emergency and takes effect on passage.

Because OHA is not currently able to quantify the volume of claims eligible for federal Medicaid match for the EMS providers in question with a sufficient level of certainty, the fiscal impact of this measure is currently indeterminate. If reimbursement levels are similar to those under HB 4030 (2016), which created a voluntary program for public EMS providers, then reimbursements under this bill might be approximately \$30.0 million in Other Funds derived from the quality assurance fee, and \$45.0 million in Federal Funds derived from Medicaid Title XIX Federal match. However, costs could vary significantly based on the total number of providers eligible for reimbursement.

Quantifiable costs of this measure include three permanent, full-time positions (3.00 FTE) at a cost of \$723,303, half of which would be paid through federal match. These positions include:

- A Fiscal Analyst 2 to review provider cost reports, provide projections, and determine reimbursements;
- A Fiscal Analyst 3 to monitor, project, and report actuals for Ground Emergency Medical Transportation programs; and,
- An Operations Policy Analyst 3 to work with providers to answer questions and interpret policy.

There is no fiscal impact for Legislative Counsel, Counties, or Cities.